

Board of Public Accountancy
Summary of Substantive Changes
July 2003

The Board of Public Accountancy has been delegated the power and duty to prescribe rules of Professional Conduct for establishing and maintaining high standards of competence and integrity in the profession of accounting. Code of Conduct Rule 412 is a new rule that has been proposed in order to continue to maintain the high standards required by the accounting profession by requiring the licensee to report any criminal convictions or disciplinary actions within a required time frame.

Rule 7.1 (f) is an addition to the Boards existing Rule 7.1-Definitions. It is to define the term "good standing" as used in A.C.A. Sections 17-12-401, 17-12-402, 603(d), 17-12-504(a) and (b) and Board Rule 7.4.

Proposed Board Rule 3.11 through 3.20 is an addition to the current Board Rule 3 for purposes of the implementation of the CPA computer-based testing. The current Board Rule 3(Examinations) paragraphs 3.1 through 3.9, will remain in effect until the implementation of the computer-based examination. Upon implementation of the computer-based examination, the current Board Rule 3 will be replaced by these rules. These examination rules are being proposed now to insure that they are in place for the computer-based examination that is scheduled for implementation in 2004 and to give guidance to those that will be taking the exam.

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY	Arkansas State Board of Public Accountancy
DIVISION	Executive
DIVISION DIRECTOR	Leveta Ray, CPA
CONTACT PERSON	Leveta Ray, CPA
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INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question **completely** using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire attached to the front of two (2) copies of your proposed rule and mail or deliver to:

Donna K. Davis
Subcommittee on Administrative Rules and Regulations
Arkansas Legislative Research
Bureau of Legislative Research
Room 315, State Capitol
Little Rock, AR 72201

1. What is the short title of this rule?

Arkansas State Board of Public Accountancy Rules

2. What is the subject of the proposed rule?

The Arkansas State Board of Public Accountancy (Board) rules amended pertaining to licensees practicing public accounting which it deems consistent with or required by the public welfare.

3. Is this rule required to comply with federal statute or regulations? Yes ☐ No ☒

If yes, please provide the federal regulation and/or statute citation.

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes ☐ No ☒

If yes, what is the effective date of the emergency rule?

When does the emergency rule expire?

Will this emergency rule be promulgated under the regular provisions of the Administrative Procedure Act?
Yes ☐ No ☐

5. Is this a new rule? Yes ☒ No ☒ If yes, please provide a brief summary explaining the regulation.

Code of Conduct Rule 412 is a new rule that requires a licensee to report any criminal convictions or disciplinary action within a required time frame.

Rule 7.1 (f) is an addition to the Boards existing Rule 7.1-Definitions. It is to define the term "good standing" as used in A.C.A. Sections 17-12-401, 17-12-402, 603(d), 17-12-504(a) and (b) and Board Rule 7.4.

The Proposed Board Rule 3.11 through 3.20 is an addition to the current Board Rule 3 for purposes of the implementation of the CPA computer-based testing.

Does this repeal an existing rule? Yes ☐ No ☒ If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

Is this an amendment to an existing rule? Yes ☒ No ☒ If yes, please attach a markup showing the changes in the existing rule and a summary of the substantive changes. Note: The summary should explain what the amendment does, and the mark-up should be clearly labeled "mark-up".

6. Cite the state law that grants the authority for this proposed rule. If codified, please give Arkansas Code citation.

A.C.A. §17-12-203 (c)

7. What is the purpose of this proposed rule? Why is it necessary?

For implementation of the CPA computerized examination scheduled to begin in 2004, to continue to maintain the competency and integrity of the accounting profession and to define a term that currently exists in the accountancy law and rules.

8. Will a public hearing be held on this proposed rule? Yes ☒ No ☐

If yes, please complete the following:

Date: October 17, 2003

Time: 9:00 A. M.

Place: 101 E. Capitol, Suite 450 Little Rock, AR

9. When does the public comment period expire for permanent promulgation? (Must provide a date.)

October 17, 2003

10. What is the proposed effective date of this proposed rule? (Must provide a date.)

October 27, 2003

11. Do you expect this rule to be controversial? Yes ☐ No ☒ If yes, please explain.

12. Please give the names of persons, groups, or organizations that you expect to comment on these rules. Please provide their position (for or against) if known.

[illegible]

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT: Arkansas State Board of Public Accountancy
DIVISION: _____
PERSON COMPLETING THIS STATEMENT: Leveta Ray, CPA
101 E. Capitol Suite 450 Little Rock, AR
TELEPHONE NO.: 501-682-5533 **FAX NO.:** 501-682-5538 **EMAIL:** leveta.ray@mail.state.ar.us

FINANCIAL IMPACT STATEMENT

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE:

Arkansas State Board of Public Accountancy Rules

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?

Yes ☐ No ☒

2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibitive, please explain.

The proposed rule making does not change the fees of Certified Public Accountants or Public Accountants. The purpose of these rules is to define a term that is used in statute that is not currently defined, to continue to maintain the high standards required by the accounting profession through the Code of Professional Conduct and to set in place rules for administering a computerized CPA examination. The Board is not changing the effects of the rules; therefore the financial impact has been addressed in prior rule making. However, the Board will be addressing in the near future any changes of fees due to the change over from a paper and pencil based exam to the computerized CPA examination.

3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

General Revenue	_____
Federal Funds	_____
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	_____

Next Fiscal Year

General Revenue	_____
Federal Funds	_____
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	_____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation? Identify the party subject to the proposed regulation, and explain how they are affected.

Current Fiscal Year

\$ _____
\$ _____
\$ _____
\$ _____

Next Fiscal Year

\$ _____
\$ _____
\$ _____
\$ _____

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

Current Fiscal Year

\$ _____
\$ _____

Next Fiscal Year

\$ _____
\$ _____